



# **Farm Household Support Minister's Rules 2024**

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I, Julie Collins, Minister for Agriculture, Fisheries and Forestry, make the following rules.

Dated 23 September 2024

Julie Collins  
Julie Collins  
Minister for Agriculture, Fisheries and Forestry

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## Part 1—Preliminary

### 1 Name

This instrument is the *Farm Household Support Minister's Rules 2024*.

### 2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	27 September 2024

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

### 3 Authority

This instrument is made under the *Farm Household Support Act 2014*.

### 4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

### 5 Definitions

Note: A number of expressions used in this instrument are defined in the Act, including the following:

- (a) farm asset;
- (b) farm enterprise;
- (c) Social Security Act.

- (1) In this instrument:

*Act* means the *Farm Household Support Act 2014*.

**overall operating loss**: see subsection 7(1).

**related business**, of a farm enterprise, has the meaning given by subsection (2).

- (2) A business is a **related business** of a farm enterprise if:

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- (a) the business is carried on principally for the purpose of providing goods or services within any of the agricultural, horticultural, pastoral, apicultural or aquacultural industries; and
- (b) the business is carried on, or effectively controlled, by a person who is:
  - (i) a farmer in relation to the farm enterprise; or
  - (ii) a partner of such a farmer; and
- (c) any of the following applies:
  - (i) the business provides goods or services to the farm enterprise;
  - (ii) the farm enterprise provides goods or services to the business;
  - (iii) the business uses farm assets of the farm enterprise in the conduct of the business;
  - (iv) the business acquires products of the farm enterprise for sale, use in manufacture, distribution or processing;
  - (v) the farm enterprise acquires products of the business for sale, use in manufacture, distribution or processing.

## Part 2—Rate of farm household allowance—allowable deductions from ordinary income

### 6 Purpose of this Part

For the purposes of section 67 of the Act, this Part sets out how a person's ordinary income for a tax year is to be reduced for the purposes of working out the rate of farm household allowance for the person.

### 7 Overall operating loss to be used to reduce ordinary income

- (1) Subject to the limits set out in section 8, a person's ordinary income for a tax year is to be reduced by the amount of the overall loss (the **overall operating loss**) of the farm enterprise in relation to which the person claimed farm household allowance and the related businesses of the farm enterprise.
- (2) The amount of the overall operating loss of the farm enterprise and related businesses of the farm enterprise is the amount worked out using the following method statement.

#### *Method statement*

Step 1. Identify for the person the farm enterprise in relation to which the person claimed farm household allowance and each related business of the farm enterprise.

Step 2. Work out for the tax year the revenue of the farm enterprise and each related business of the farm enterprise.

For the purposes of this step:

- (a) if the farm enterprise or related business is carried on by more than one entity—assume that only one entity is carrying on the farm enterprise or related business; and
- (b) if the farm enterprise or related business is carried on by a company or trust—the revenue of the farm enterprise or related business is the company's or trust's gross ordinary income from the farm enterprise or related business as worked out under section 1208 of the Social Security Act without any reductions; and
- (c) if the farm enterprise or related business is carried on by an entity other than a trust or company—the revenue of the farm enterprise or related business is the entity's gross ordinary income from the farm enterprise or related business worked out under Part 3.10 of that Act without any reductions; and

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- (d) if the farm enterprise or related business is carried on by a partnership—treat the partnership as a person for the purpose of applying paragraph (c).

Step 3. Sum the amounts worked out under step 2.

Step 4. Work out for the tax year the outgoings for the farm enterprise and each related business of the farm enterprise.

For the purposes of this step:

- (a) if the farm enterprise or related business is carried on by more than one entity—assume that only one entity is carrying on the farm enterprise or related business; and
- (b) if the farm enterprise or related business is carried on by a company or trust—the outgoings of the farm enterprise or related business are the reductions that can be made under section 1208A or 1208B of the Social Security Act from the company's or trust's gross ordinary income from the farm enterprise or related business; and
- (c) if the farm enterprise or related business is carried on by an entity other than a trust or company—the outgoings of the farm enterprise or related business are the reductions that can be made under Division 1A of Part 3.10 of the Social Security Act from the entity's gross ordinary income from the farm enterprise or related business; and
- (d) assume that the company's, trust's or entity's gross ordinary income from the farm enterprise or related business for the tax year exceeded the reductions; and
- (e) if the farm enterprise or related business is carried on by a partnership—treat the partnership as a person for the purpose of applying paragraphs (c) and (d).

Step 5. Sum the amounts worked out under step 4.

Step 6. Subtract the amount worked out under step 5 from the amount worked out under step 3.

Step 7. If the amount worked out at step 6 is zero or more, there is no overall operating loss for the tax year.

Step 8. If the amount worked out at step 6 is a negative amount, the amount (ignoring that the amount is a negative number) is the overall operating loss for the tax year.



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**8 Limits on using the overall operating loss to reduce ordinary income**

- (1) The amount of the overall operating loss that can be used to reduce the ordinary income of a person, and the person's partner (if any), for a tax year must not exceed the least of the following:
  - (a) the overall operating loss;
  - (b) the person's share of the overall operating loss, if an adjustment under subsection (4) was made in relation to the overall operating loss;
  - (c) \$100,000.
- (2) Neither a person's, nor the person's partner's, ordinary income for a tax year may be reduced below zero.
- (3) An amount of the overall operating loss that is used by a person, and the person's partner (if any), for a tax year must not be used by another person to reduce that person's ordinary income for the tax year.
- (4) If:
  - (a) a person (the **first person**) and another person (other than the partner of the first person) would be entitled to use the overall operating loss to reduce their ordinary income for a tax year because each of those persons qualifies for farm household allowance in relation to the same farm enterprise; and
  - (b) those persons have notified the Secretary that they wish to use the overall operating loss, or part of that loss, to reduce their ordinary income for the tax year;the overall operating loss must be adjusted, as agreed between those persons, to reflect each of those persons' share of the overall operating loss.
- (5) If the overall operating loss has been adjusted under subsection (4), each person may use only their share of the overall operating loss.

**Part 3** Activity supplement

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**Part 3—Activity supplement**

**9 Maximum amount of activity supplement**

For the purposes of paragraph 82(1)(a) of the Act, the maximum amount of activity supplement is \$10,000.

## **Part 4—Farm financial assessment supplement**

### **10 Maximum amount of farm financial assessment supplement**

For the purposes of paragraph 89(a) of the Act, the maximum amount of farm financial assessment supplement is \$1,500.

## **Part 5—Application, saving and transitional provisions**

### **11 Application provision relating to the commencement of this instrument**

Part 2 of this instrument applies for the purpose of working out the rate of farm household allowance for a person on or after the commencement of this section.

## **Schedule 1—Repeals**

### ***Farm Household Support Minister's Rule 2014***

#### **1 The whole of the instrument**

Repeal the instrument.